

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE
REDEVELOPMENT AGENCY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

323



FROM: Redevelopment Agency

SUBMITTAL DATE:
June 17, 2010

SUBJECT: Adoption of RDA Resolution No. 2010- 39, Supporting the Tax Credit Application for Legacy Apartments in the Unincorporated Community of Thousand Palms

RECOMMENDED MOTION: That the Board of Directors adopt the attached RDA Resolution No. 2010-39, supporting the application of Thousand Palms Apartments Limited Partnership for Low-Income Housing Tax Credits for Legacy Apartments in the unincorporated community of Thousand Palms.

BACKGROUND:(Commences on Page 2)

FORM APPROVED COUNTY COUNSEL
BY: MICHELLE CLACK
DATE: 6/16/10
Departmental Concurrence

Robert Field

Robert Field
Executive Director

| | | | | |
|-----------------------|-------------------------------|--------------|-------------------------|---------|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$ 8,800,000 | In Current Year Budget: | Yes |
| | Current F.Y. Net County Cost: | \$ 0 | Budget Adjustment: | No |
| | Annual Net County Cost: | \$ 0 | For Fiscal Year: | 2009/10 |

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: No

| | | |
|--|---|--------------------------|
| SOURCE OF FUNDS: Redevelopment Low- and Moderate-Income Housing Funds | Positions To Be Deleted Per A-30 | <input type="checkbox"/> |
| | Requires 4/5 Vote | <input type="checkbox"/> |

C.E.O. RECOMMENDATION:

APPROVE

Jennifer L. Sargent

BY: Jennifer L. Sargent

County Executive Office Signature

Dept't Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.:

District: 4

Agenda Number:

4.2
RDA-01a-F11.doc
FRM 11 (REV 06/2003)

BACKGROUND:

Thousand Palms Apartments Limited Partnership ("TPALP"), a California Limited Partnership whose developer and administrative general partner is Palm Desert Development Company, is applying to the California Tax Credit Allocation Committee ("TCAC") for a reservation of tax credits for Legacy Apartments ("Project"), an affordable, multi-family rental Project in the unincorporated community of Thousand Palms.

The Low Income Housing Tax Credits will be used by TPALP to finance eligible project development costs. The TCAC application deadline for the current round of funding is July 7, 2010. At present, there is a financing gap of approximately \$8,800,000. TPALP has requested that the Redevelopment Agency for the County of Riverside ("Agency") contribute up to \$8,800,000 to fill the gap. In order to complete the tax credit application process, TPALP must provide TCAC with a Resolution from the local jurisdiction providing support for the Project.

The attached Resolution will support TPALP's application for tax credit allocation for the Project. The Resolution will also recommend to the Board of Directors a loan of \$8,800,000 in Redevelopment Low- and Moderate-Income Housing Set-Aside Funds ("RDA Funds") for acquisition and construction of eligible activities for the Project. TPALP intends to apply for Mental Health Services Act ("MHSA") program funding in the amount of \$1,500,000. Upon successfully receiving MHSA funds, the contribution of \$8,800,000 will be reduced to \$7,300,000. The Resolution obligates \$8,800,000 in Low- and Moderate-Income Housing Funds for this Project upon satisfaction of environmental review requirements, Project receiving all applicable permits, all applicable entitlements, all applicable legal requirements, and successful negotiation of an Agency loan agreement satisfactory to the Board of Directors.

PROJECT DESCRIPTION:

The proposed housing development is located on a portion of a vacant 40-acre site on the northwest corner of Robert Road and El Centro Way in the unincorporated community of Thousand Palms, Assessor Parcel Number 650-020-008. The Project, known as Legacy Apartments, is designed to serve lower income families with a portion of the units serving special needs persons (individuals with illness and homelessness or at risk of homelessness). Legacy Apartments will involve the development of a gated 80-unit affordable, multi-family community, including an additional on-site manager's unit. The unit mix of the development will be 14 one-bedroom units, 33 two-bedroom units, and 33 three-bedroom units. The site plan will be comprised of eleven, two-story residential buildings with amenities that include a community building, a laundry building, pool/splash park, multiple open space areas, barbeque/picnic areas, and a basketball court and tot-lots. All of the proposed units will be reserved for low-income families with affordable rents for a period of at least 55 years; fifteen of those units will be reserved for special needs individuals.

The estimated total development cost for the Project is \$25,168,039. Funding will include a \$2,534,954 conventional loan from Farmers & Merchant Bank; a \$1,500,000 loan from MHSA (allocated from the \$8,800,000); a deferred developer fee of \$126,722; and Riverside County Transportation Uniform Mitigation Fee waiver of \$101,516. The balance of \$13,604,847 will come from the tax credit equity financing.

Agency Counsel has reviewed and approved to form the attached RDA Resolution No. 2010- 39. Staff recommends that the Board of Directors approve the attached RDA Resolution No. 2010- 39.

BOARD OF DIRECTORS

REDEVELOPMENT AGENCY

**RDA RESOLUTION NO. 2010-39
SUPPORTING THE APPLICATION FOR
LOW-INCOME HOUSING TAX CREDITS FOR LEGACY APARTMENTS**

WHEREAS, Thousand Palms Apartments Limited Partnership ("TPALP", or the "Applicant") intends to submit an application for the current California Tax Credit Allocation Committee ("TCAC") tax credits round for the development of affordable rental units on a vacant site located on the northwest corner of Robert Road and El Centro Way, known as Assessor Parcel Number 650-020-008 (the "Project Site"), in the unincorporated community of Thousand Palms; and

WHEREAS, the Applicant is proposing to build an affordable housing development which will consist of eighty (80) affordable rental units and one (1) additional manager's unit (the "Project") on the Project Site; and

WHEREAS, TCAC provides tax credit allocation for affordable housing projects through its competitive application process; and

WHEREAS, the application deadline to be considered for the current funding availability through TCAC is July 7, 2010; and

WHEREAS, the Redevelopment Agency for the County of Riverside ("Agency") is a redevelopment agency duly created, established, and authorized to transact business and exercise its powers, all under and pursuant to the provisions of the California Community Redevelopment Law ("CRL"), which is Part 1 of Division 24 of the California Health and Safety Code (commencing with Section 33000 et seq.); and

WHEREAS, Agency, pursuant to Section 33334.2 of the California Health and Safety Code, wishes to utilize its Low- and Moderate-Income Housing Set-Aside Funds to improve and increase the supply of affordable housing in the unincorporated County of Riverside; and

WHEREAS, the Project is located outside a redevelopment project area; and

WHEREAS, Agency adopted RDA Resolution No. 2005-35 on December 20, 2005, with

FORM APPROVED COUNTY COUNSEL
BY:  DATE: 7/16/10
MICHELLE CLACK

1 a finding that the use of Low- and Moderate-Income Housing Set-Aside Funds outside the
2 Redevelopment Project Area is of benefit to the Project Area; and

3 **WHEREAS**, the Riverside County Board of Supervisors adopted Resolution 2005-374
4 on December 20, 2005, with a similar finding; and

5 **WHEREAS**, Agency endeavors to preserve, protect, improve, and increase the
6 affordable housing stock and eliminate blight; and

7 **WHEREAS**, the Project will alleviate blighting condition on the Project Site as set forth
8 in Section 33031 of the California Health and Safety Code; and

9 **WHEREAS**, the Project currently has a financing gap of approximately Eight Million
10 Eight Hundred Thousand Dollars (\$8,800,000); and

11 **WHEREAS**, to complete the TCAC application process the Applicant must provide a
12 resolution from the local jurisdictions, including Agency, supporting the Project; and

13 **WHEREAS**, the Applicant has successfully completed and operated several affordable
14 apartment complexes in Riverside County.

15 **BE IT RESOLVED, FOUND, DETERMINED AND ORDERED** by the Board of Directors
16 for the Redevelopment Agency for the County of Riverside, in regular session assembled on
17 June 29, 2010, as follows:

- 18 1) That the Board of Directors hereby finds and declares that the above recitals are true
19 and correct.
- 20 2) The Board of Directors supports the TPALP's application for a reservation of tax credits,
21 for the development of an eighty one unit apartment complex proposed to be located in
22 the unincorporated community of Thousand Palms, Assessor Parcel Number 650-020-
23 008.
- 24 3) The Board of Directors agrees to provide financing of up to Eight Million Eight Hundred
25 Thousand Dollars \$8,800,000 in Redevelopment Low- and Moderate-Income Housing
26 Set-Aside Funds to Applicant for the development of the proposed Project, subject to the
27 following: environmental review requirements, project receiving all applicable permits, all
28

1 applicable entitlements, all applicable legal requirements, and successful negotiation of
2 a Agency loan agreement satisfactory to the Board of Directors.

3 4) All of the proposed units, excluding the manager's unit, will be reserved for low-income
4 families with affordable rents for a period of at least 55 years.

5 5) The Board of Directors commitment to provide funding is valid until September 30, 2011,
6 and shall thereafter have no force or effect, unless an Agency loan agreement has
7 theretofore been approved and executed by the Board of Directors and the Applicant,
8 with respect to the Project.